

News Release
STATE OF INDIANA
TREASURER OF STATE
TIM BERRY

For Immediate Release
August 4, 2006

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Treasurer Berry Applauds Congress Passing Permanent Tax Cut
Congress Makes Tax Exemption on College Savings Plans Permanent

State Treasurer Tim Berry, Chair of the Indiana Education Savings Authority, which sponsors Indiana's CollegeChoice

529 Investment Plan, and the former chair of the College Savings Plans Network applauds Congress for making the tax exemption permanent on earnings in a section 529 college savings plan as long as the monies are used for a loved ones higher education.

In a provision of the Pensions Bill passed by the House of Representatives last week, the United States Senate last night, families saving for a loved one's higher education will be exempt from paying taxes on the earnings in a 529 college savings plan. Prior to passage the tax exemption was set to sunset in 2011.

"Now families can save for college and be assured that their savings and earnings will go toward a loved one's education expenses and not to Uncle Sam," said Berry. "This is a great incentive for families to prepare for the future and save for college now. My thanks to the members of the Indiana delegation for supporting this legislation for Hoosier families, particularly Congressman Chocoma who led the effort as an original co-sponsor of this legislation in Congress."

Indiana recently passed legislation to provide a 20% tax credit on contributions in a CollegeChoice 529 Plan beginning in January of 2007. For example an Indiana family who makes a \$1,000 contribution to a loved one's College Choice 529 Investment Plan account will receive a \$200 tax credit towards their state income tax. This tax credit will apply on contributions up to \$5,000 in a CollegeChoice 529 Plan account, whereby those families would receive a \$1,000 income tax credit.

"With the federal tax exemption on earnings and the Indiana tax credit on contributions, Hoosiers have even more reasons to save for a loved one's higher education through the CollegeChoice 529 Investment Plan", said Berry. He added "I encourage parents and grandparents to save for their child or grandchild's education utilizing these incentives."

To learn more about the CollegeChoice 529 Investment Plan call 1-866-400-PLAN or log onto www.CollegeChoiceplan.com